



ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY

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**MINUTES OF THE 79TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
LITTLE ROCK, AR
NOVEMBER 21, 1997**

CALL TO ORDER

The meeting was called to order at 1:40 p.m. by Mr. Michael Murphy, Chairman of the Board, in the fourth floor conference room of the 100 Main Building in Little Rock.

Board members present included: Mr. William Dempsey, Dr. James Hendren, Mr. Sam Hummelstein, Ms. Catherine Janosky, Mr. Stephen Nipper, and Ms. Donna Young. Dr. Don Pederson joined the meeting by telephone to vote on one item.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Mr. Al Grijalva, Mr. Les Lane, Dr. Herb Monoson, Mr. Chuck Myers, and Ms. Joyce Sadler.

Visitors included: Mr. Scott Thompson from the Arkansas Democrat-Gazette.

In the absence of a quorum, the Mr. Murphy stated that the Board would review all items on the agenda, but would not take action. Those items requiring action would be tabled until the Board of Directors meeting in January, where it would be approved on a consent agenda.

PRESIDENT'S REPORT

Dr. Ahlen reviewed the Return on Investment document provided to the Board.

Dr. Ahlen announced that Les Lane had been promoted to the position of Vice President Finance, replacing Jim Benham.

Dr. Ahlen gave an update on his work in Washington on the United States Innovation Partnership.

INDUSTRY COMMITTEE

Chuck Myers reported that the Manufacturing Extension Network had completed Year One on July 31st. During the Network's first year, there were a total of 186 projects completed by Network field engineers.

The staff is in the process of developing a reporting system for the Network. The State of Alabama has developed a system that will generate all the reports required by NIST. Alabama has offered this software to Arkansas' Network free of charge.

Ms. Janosky stated that the Industry Committee had met. She stated that during the next year, the committee's mission would be to restructure the Network to make it more industry driven. She stated that the committee would keep the Board updated.

OLD BUSINESS

Dr. Ahlen presented a request from the Arkansas School for Mathematics and Sciences (ASMS). Two years ago, the Board voted to close an account at Winrock International. The funds totaled \$8400. The funds were moved to the Arkansas Community Foundation. It was suggested that the money be used to establish an endowment fund for ASMS.

In October, the Authority received a letter from the Director of ASMS, who asked permission to move the funds from the Arkansas Community Foundation to an endowment fund established by the school.

After reviewing the letter, the Board asked which endowment fund this would go into and what the money would be used for. The letter from ASMS did not provide that information.

After further discussion, the Board stated they needed more information before a decision could be made. They asked the staff to request additional information and present it at the January Board meeting.

NEW BUSINESS

Annual Report

The draft annual report for fiscal year 1997 was reviewed. Dr. Ahlen stated that if the Board had any changes or corrections, to contact Bob Alvey, the Authority's communications manager.

Dr. Ahlen stated that if the Board had no objections, the staff would proceed with printing the annual report. The Board had no objections.

Committee Assignments

Mr. Murphy announced committee assignments for the upcoming year.

Executive Committee: Michael Murphy, Charles Hathaway, Merlin Augustine and the chairs of each committee.

Research Committee: Charles Hathaway, Chair; William Dempsey; James Hendren and Don Pederson.

Investment Committee: Donna Young, Chair; Merlin Augustine; Ed Crowe; Stephen Nipper and Anthony Rampley.

Industry Committee: Catherine Janosky, Chair; Sam Hummelstein; Dennis Littleton and Jerry Stokes.

1998 Meeting Dates

The meeting dates for 1998 were announced: January 16, March 20, May 15, September 18, and November 20.

INVESTMENT COMMITTEE REPORT

Donna Young presented the following items for the Board's review. There being no quorum, the following items were tabled until the January meeting.

The FY98 General Fund Expenditure and the FY98 Investment Fund Report for the quarter ending September 30, 1997.

Draft Resolution 98-06 provides for the formal acceptance of Technology Transfer Assistance Grant (TTAG) projects funded since September 19, 1997. There were a total of 5 projects funded.

Draft Resolution 98-07 will provide monies for funding recommended projects under the Technology Transfer Assistance Grant (TTAG) Program during the third quarter of state fiscal year 1998. Ms. Young stated that the committee would ask that the amount be increased from \$35,000 to \$46,877. This increase reflects a carryover of those funds not expended in the second quarter.

Dr. Don Pederson joined the Board meeting by telephone, so the Board was able to take action on one item, Draft Resolution 98-08.

Draft Resolution 98-08, would provide a Seed Capital Investment into ContourMed, LLC. The company develops and produces breast prosthesis for patients who have had

mastectomies. The product has received positive feedback from clients and positive reviews from outside sources.

Mr. Lane stated that this project first came to the Authority in 1995 as a technology development deal. The Authority invested \$50,000 in the project. They are now requesting funds from the Seed Capital Investment Program.

If approved, the Authority would provide \$150,000 for the project, with it being released in \$50,000 increments as the project progresses.

Dr. Hendren made a motion for the approval of Draft Resolution 98-08. Ms. Janosky seconded the motion; the Board gave its unanimous approval.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 2:30 p.m.

Respectfully submitted,



Merlin Augustine, Ed.D.
Secretary
Board of Directors

Approved by the Board of Directors
on this 16th day of January, 1998

Merlin Augustine, Ed.D.
Secretary
Board of Directors